



**CITY OF AKRON**  
**INCOME TAX DIVISION**  
DEPARTMENT OF FINANCE

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Pursuant to Amended Substitute House Bill 5 passed by the Ohio Legislature in December 2014, new State mandated municipal income tax guidelines have been established, effective with tax years beginning January 1, 2016. Chapter 718 of the Ohio Revised Code can be found at: <http://codes.ohio.gov/orc/718>. Please reference this document to determine how the new, State mandated, changes affect your municipal taxable income.

### **INDIVIDUALS**

The list below provides those items that may have an impact on individuals residing or earning income within the City of Akron.

**Changes in filing due dates and amounts for individual estimated tax payments.**

- Estimated tax payments are required for individuals expecting to owe \$200 or more in non-withheld tax.
- 1<sup>st</sup> Quarter due April 15<sup>th</sup>
- 2<sup>nd</sup> Quarter due June 15<sup>th</sup>
- 3<sup>rd</sup> Quarter due September 15<sup>th</sup>
- 4<sup>th</sup> Quarter due December 15<sup>th</sup>

**Changes in penalty and interest rates.**

- Late filing penalty is \$25.00 per month per return (capped at \$150.00 per return) for failure to timely file a return.
- Late payment penalty is a one-time 15% penalty of the unpaid balance at the time that the payment is due.
- Interest will be calculated at the July federal short-term interest rate plus 5%. For 2016 estimates to be paid in 2016, the interest rate is 5% per annum; the monthly interest rate is 0.42%.

### **BUSINESSES**

The list below provides those items that may have an impact on businesses earning income or employing individuals within the City of Akron and any of the following Joint Economic Districts: Bath-Fairlawn-Akron JEDD, Copley-Akron JEDD, Coventry-Akron JEDD and the Springfield-Akron JEDD.

**Changes in the filing due date for employee withholding.**

- Both Monthly and Quarterly Withholding remittances and payments must be received no later than the 15<sup>th</sup> of the month following the reporting period.

**Changes in penalty and interest rates for annual net profit returns and estimated tax payments is the same as indicated above for individuals.**

- Additionally, the late payment penalty for a withholding tax balance beginning January 1, 2016 and thereafter is a one-time 50% penalty of any unpaid withholding tax balance at the time that the payment is due.

**Changes in filing due dates and amounts for business estimated tax payments.**

- Estimated tax payments are required for businesses expecting to owe \$200 or more in tax. The due dates are the same as indicated above for individuals. See ORC 718.

**Changes in monthly and quarterly withholding thresholds. See section 718.03 for details.**

- Employers must remit monthly if withholding in the previous calendar year exceeded \$2,399 or if the amount required to be withheld during any month of the previous calendar quarter exceeded \$200.
- Employers can remit quarterly if their withholdings are under the thresholds described for monthly filers.
- For Withholding guidelines for employers with transient workers, and for those employers qualified as a "small employer", see Ohio Revised Code Section 718.011 by accessing the link at the top of this page.